## Amendments to the Specification

Please replace the paragraph beginning at page 10, line 20, and ending at page 11, line 1 with the following:

To conduct a transaction, user 110 suitably establishes a connection through network 120 with a merchant 130. When a purchase is to be consummated, user 110 accesses wallet server 140. User 110 is then directed by wallet server 140 to insert a Smart Card into the system to verify that a Smart Card is in the user's 110 possession. At the same time, a graphical representation of a digital wallet included within wallet server 140 appears to the user 110 and user 110 is directed to select a transaction authorization entity, such as American Express (AMEX). The Smart Card preferably includes a digital certificate that uniquely identifies the card such that digital credentials relating to the transaction may be created as described hereinafter. Upon receipt of the Smart Card information, wallet server 140 communicates with virtual POS gateway 190. Virtual POS gateway 190 queries payment authorization gateway 180 to obtain authorization for the payment. Upon obtaining such authorization, virtual POS gateway 190 transmits the information to wallet server 140. Wallet server 140 then completes an authorization form and transmits the form to merchant server 130.